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 IDAHO PUBLIC
 UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NOS. AVU-E-14-05
OF AVISTA CORPORATION TO INITIATE)	AVU-G-14-01
DISCUSSIONS WITH INTERESTED)	
PARTIES ON AN EXTENSION OF THE)	
EXISTING RATE PLAN AND AVOID A)	COMMUNITY ACTION
GENERAL RATE CASE)	PARTNERSHIP ASSOCIATION
)	OF IDAHO'S COMMENTS
)	
)	

COMES NOW, the Communication Action Partnership Association of Idaho (CAPAI) and in accordance with Commission Order No. 33080, issued July 23, 2014, submits comments in support of the Settlement Stipulation executed by, among others, CAPAI and filed with this Commission.

I. Background:

CAPAI notes that Avista went to considerable lengths to involve and inform all potential stakeholders, including CAPAI, well in advance of the filing of the Settlement Stipulation now pending approval, and met individually with each interested stakeholder before the first settlement conference and before circulating its initial draft of the stipulation to allow for an open discussion of the Company's objectives and the procedural options for pursuing those objectives. These meetings were face to face with each stakeholder group and allowed for a

thorough discussion of the Company's proposal as well as questions and concerns posed and held by stakeholders. The Company met far enough in advance with each stakeholder to allow for informal discovery, the refinement of stakeholder issues and concerns, and discussions regarding how to address those issues and concerns in a final, written settlement. In this regard, CAPAI appreciates Avista's openness and diligent attempts to involve all interested stakeholders from the outset of this case.

II. CAPAI's Issues and Concerns:

A. Procedure of Settlement Discussions.

With respect to Avista, and at this point in time, CAPAI's primary areas of interest involve the current status and future of low income weatherization assistance ("LIWA"-both electric and the possible reinstatement of the natural gas program) and all related issues as well as continuing to obtain a better understanding of how many low income customers Avista actually serves, regardless of whether they receive any form of assistance, as well as those customers' consumption characteristics and the manner in which their monthly bills are affected by varying residential rate design possibilities including altering the amount of the customers' monthly basic service charge, the inverted, tiered rates structure of the residential class and variations within that latter characteristic and other possibilities.

Pursuant to Order No.32788, issued in Case No. GNR-E-12-01, funding for Avista's low income weatherization program (LIWA) is no longer necessarily frozen at existing levels. *See, Order No. 32788, p.13* In addition, CAPAI has had the opportunity over the past two years to gain a better understanding of low-income consumption patterns that make the impact of residential rate design less uncertain. Thus, from a procedural standpoint, CAPAI was initially hesitant to allow the deferral of another general rate case in which it could raise and address

these issues and areas of concern. To its credit, however, Avista made its personnel available to respond to informal and expedited discovery requests which helped enable CAPAI to determine the potential negative consequences of forgoing an opportunity to raise its aforementioned interests and concerns at this time and in this case, balanced against the overall beneficial rate consequences of the Company's proposal. CAPAI, therefore, had the opportunity to engage in an expeditious back-and-forth process of advancing its knowledge of the subject matter involved and make the ultimate determination of whether the proposed settlement was in the best interests of the Company's low income customers, as well as the general body of ratepayers.

CAPAI also wishes to acknowledge and express its appreciation for the fact that the Commission Staff made its personnel available for face-to-face meetings as well as numerous telephone conversations to engage in discussions of LIWA programs in general, and Avista's program in particular, in light of the fact that any suspension of reconsideration of such programs has expired. It is CAPAI's perception that these meetings and discussions were of considerable value in terms of understanding numerous aspects of LIWA programs, their operation and value as important resources, and the evaluation of their cost-effectiveness. CAPAI has taken careful note of Staff's thoughts and suggestions regarding potential means of increasing the cost-effectiveness of Avista's (and other utilities') LIWA program and has already begun to assess and potentially apply certain of those thoughts and suggestions and will continue to do so. In that respect, the Settlement Stipulation was worded such that the benefits of this interaction with Staff and Avista will continue after this case is closed.

B. Low Income Provision of Settlement Stipulation.

The following language contained in Section IV(F) of the Settlement Stipulation reflects the involvement of CAPAI in this proceeding and of CAPAI's collaboration with Avista and

Staff to continue discussion and assessment of LIWA programs and the analysis of rate design impacts on low income customers into the near future:

F. Meet and Confer Regarding Low Income Issues - On or before October 14, 2014, Avista will meet with Commission Staff and other interested Parties to this case to review the following issues:

1. Cost-effectiveness and appropriate funding of natural gas and electric demand-side management ("DSM") programs for low-income customers: Prior to the meeting, Avista will provide the parties with the 2013 DSM Impact Evaluation prepared by its consultant, Cadmus, as well as current information pertaining to the cost-effectiveness of its low-income programs in Idaho. In addition, Avista will provide its analysis of when and under what conditions natural gas DSM programs will become cost-effective and program funding resumes.
2. Electric and natural gas usage by low-income customers in Avista's Idaho service territory and potential rate-design implications for such customers: Prior to the meeting, Avista will provide usage data for its Idaho residential customers for 2011-2013. Avista will consult with the parties to identify their specific data requirements.
3. No later than December 1, 2014, the Parties will determine if a formal filing with the Commission is warranted based upon review of low-income DSM program cost-effectiveness and low-income usage.

The foregoing settlement provision was specifically crafted in a collaborative fashion between CAPAI, Avista and Staff and reflects the general course of action that the parties agreed was the most efficacious in terms of moving forward with the operation and evaluation of LIWA programs to enhance their cost-effective manner without holding up the proposed overall settlement yet still incorporating timelines to ensure that these issues will be timely addressed.

The low income provision also provides CAPAI with ample opportunity to continue working with Avista and Staff in better defining and calculating the number of Avista's low income customers and how differing residential rate design impacts those customers.

III. Conclusion:

Though CAPAI believes that the time is appropriate to reassess all LIWA programs, including Avista's, and though CAPAI believes that there exist inherent dangers in avoiding general rate cases through ratemaking mechanisms designed solely for that purpose, it is CAPAI's position that, under the circumstances, the settlement reached by the parties to this case is fair, just and reasonable and in the best interests of all ratepayers, including low income customers. CAPAI submits that the time-table outlined in the Settlement Stipulation for addressing low income issues is reasonable, realistic and will allow for a thorough discussion of the low income issues outlined in these comments and, therefore, recommends that the Commission approve the Settlement Stipulation as submitted.

DATED, this 15th day of August, 2014


Brad M. Purdy

CERTIFICATE OF SERVICE

I hereby certify that I caused to be served the foregoing document on the following by either hand delivery or U.S. Mail, first class, and via email:

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Dated, this 15th Day of August, 2014


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